

This chapter stipulates the procedures to be complied with by the depositor with respect to opening, formalisation, reactivation and closing of CDS account.

2.1 Opening Of CDS Account

2.1.1 Eligible / Ineligible Categories

ELIGIBILITY CATEGORIES	INELIGIBILITY CATEGORIES
<ul style="list-style-type: none"> • An individual who has attained the age of eighteen (18) years as of the application date • A corporation incorporated under Companies Act 2016 • Any corporate body that is incorporated within Malaysia and is by notice published in the Gazette declared to be a public authority or an instrumentality or agency of the Government Of Malaysia or of any State • A society under any written law relating to co-operative societies • A trustee or trust corporation duly constituted under any written law relating to co-operative societies • A society registered under the Societies Act 1966 • Statutory bodies incorporated under an Act of Parliament. • A limited liability partnership within the meaning of section 2 of the Limited Liability Partnerships Act 2012. 	<ul style="list-style-type: none"> • A person who has been adjudicated a bankrupt under the Bankruptcy Act 1967 and remains an undischarged bankrupt at the time of application • A “mentally disordered person” within the meaning of the Mental Disorders Ordinance 1952 • A partnership within the meaning of the Partnership Act 1966 • A sole proprietorship cannot open an account in the name of the sole proprietorship but can open an account in his own personal capacity • A person who is not a beneficial owner or not an authorised nominee of the deposited securities.

2.1.2 Procedures To Open CDS Account For Individual Depositor At The ADA Office

Email address is mandatory information that all depositors must provide during the account opening regardless of the depositor’s nationality or place of incorporation and investor type. By registering the email address in CDS, the depositor will receive CDS notifications electronically instead of hardcopy notification or communication in relation to the following:

- i. **CDS statements of accounts, CDS notices, and other communication from Bursa Depository; and**
- ii. **as and when the service becomes available and the relevant persons such as issuers of securities or Participating Organisations (“POs”) elect to use such service, notices, and communication in relation to the depositor’s deposited securities from such issuers, POs or other entities within Bursa Malaysia Berhad’s Group of Companies.**

Registering bank account details for eDividend services is also mandatory for Malaysian citizens, Permanent Residents of Malaysia, and Malaysian incorporated/registered entities during account opening.

2.1.2.1 Individual applicant must submit the following for each individual account opening request to the ADA:-

- a. A completed and duly signed **CDS Account Form (FMN070)** (Appendix 1) together with the account opening fee. The beneficial ownership declaration in the “Declaration By Applicant” column in FMN070 must be properly completed.
- b. The Account Opening fee is RM10 per CDS account.
- c. Malaysian individual applicant - Two (2) copies of NRIC or other forms of acceptable identification documents issued by Jabatan Pendaftaran Negara / Authority Card (for Armed Forces / Police Personnel); or
- d. Foreign individual applicant – Two (2) copies of passport (primary identification document) or home country National Registration Identity Card / National Health Insurance Card / Social Security Card / any other documents subject to Bursa Depository’s approval on a case-by-case basis
- e. Power Of Attorney (if applicable). Please refer to **Appendix 2** on the **Usage Of Power Of Attorney**.

2.1.2.2 Where the FMN070 has been executed by a person who is not able to read or understand the content, it should be accompanied by a Jurat Clause. Please refer to Chapter 10 on procedures for affixation of Jurat Clause.

2.1.2.3 If the Authorised Depository Agent waives the requirement for the presence of the individual before the Authorised Depository Agent, the individual may execute the FMN070 in the presence of any one of the following persons:-

- a. Individual who holds a Capital Markets Services Representative's Licence pursuant to section 59(1) of the Capital Markets and Services Act 2007 to act as a representative for dealing in securities;
- b. Authorised officer of the Authorised Depository Agent;
- c. Authorised officer of a Malaysian Embassy / High Commission Consulate;
- d. Lawyer in any jurisdiction who has a valid licence to practise law in that jurisdiction;
- e. Commissioners for oaths in any jurisdiction;
- f. Justice of the Peace in any jurisdiction;
- g. Notary public in any jurisdiction;
- h. Officer of a registered person referred to under the third column of Item 1(b) of Part 1 of Schedule 4 to the Capital Markets and Services Act 2007, who is authorised by such registered person to perform the activities referred to under the second column of the said item 1(b);
- i. Authorised officer of
 - (a) a licensed bank as defined in the Banking and Financial Institutions Act 1989; or
 - (b) an Islamic bank licensed under the Islamic Banking Act 1983,and with which the individual holds an account;
- j. Person in relation to a stockbroking company licensed or approved to trade on a recognised stock exchange as defined in the Rules of the Stock Exchange who holds a license equivalent to a licence held by a dealer's representative or any other person authorised by such licensed stockbroking company; or

k. Such other persons as may be approved by Bursa Depository from time to time provided that notification of such approval is forwarded to the Securities Commission within three (3) market days from the date of such approval.

2.1.2.4 Applicant must ensure that the FMN070, photocopy of the identification documents and other supporting documents (if any) are certified by the same person as per item 2.1.2.3.

2.1.2.5 Once the CDS account has been opened, applicant to receive the depositor copy of the FMN070 from the ADA. The FMN070 must contain the CDS account number that has been generated from the CDS.

2.1.2A Procedures To Open CDS Account For Individual Depositor Through CDS eServices Platform

2.1.2A.1 Individual applicant must download the Bursa Anywhere Mobile Apps and select the “Open a CDS account” option and complete the required information and make payment for the account opening fee through Paynet’s FPX system.

2.1.2A.2 The account opening fee is RM10 per account.

2.1.2A.3 Applicant will be required to upload the image of his/her MyKad as the primary supporting document for the application.

2.1.2A.4 For eDividend registration, no supporting document is required.

2.1.2A.5 Applicant is not required to physically sign the application as the application will be binded with Digital Signature once the ADA has approved the application.

2.1.2A.6 Once the application to open the account is approved by the ADA, a copy of the application form digitally signed with the CDS account number will be provided to the applicant through the email address registered in CDS.

2.1.3 Procedures To Open CDS Account For Corporate Depositor

The following are the requirements for an applicant falling under the category of company incorporated under The Companies Act 2016 (Laws of Malaysia).

Note: It is mandatory for the applicant to provide at least one email address and One (1) bank account details as part of the mandatory required information when open new CDS account for Malaysian incorporated/registered company.

2.1.3.1 Corporate applicant must submit the following for each corporate account opening request:-

- a. A completed and duly signed FMN070,
- b. An Account Opening fee of RM10 per CDS account and
- c. An original certified true copy of the following or its equivalent:-
 - i. Board Resolution (Please refer to **Appendix 3 on Criteria For Board Resolution**)
 - ii. Document(s) evidencing the incorporations or registration of the company, the company's current name and registration number.
 - iii. Documents evidencing the ownership of the company e.g. the latest return of allotment of shares or annual return.

Note: Body corporate acting as Authorised Nominee to hold securities on behalf of a beneficial owner, must request the beneficial owner to provide supporting documents such as copies of NRIC/Passport/documents shown its registration and ownership.

- d. Power Of Attorney (if applicable). Please refer to **Appendix 3** on the **Usage Of Power of Attorney**.

- 2.1.3.2 For detail requirements on other corporate depositors i.e. trust foundation, society registered under the Societies Act 1966 and Co-operatives Act 1993 and foreign incorporated companies, please refer to **Appendix 4** on **Checklist For Opening Of Account For Trust Foundation, Society, Statutory Body and Foreign Incorporated Companies**.

- 2.1.3.3 For corporate depositor, the FMN070 and original certified true copies of the list of authorised signatory(ies) should be executed by the signatory(ies) as authorised by the corporate body's Board Resolution / Power of Attorney / Trust Deed / Minutes of Meeting.

- 2.1.3.4 All applicants must sign two (2) original certified true copies of the list of authorised signatory(ies) specimen signature(s) in accordance with the Board Resolution / Power of Attorney / Trust Deed submitted.

Photocopies of these specimen signature(s) are not allowed.

- 2.1.3.5 Where facsimile signatures are to be used on any of the CDS form executed by the corporate applicant, the applicant is to ensure:-
 - a. The provision in the Articles of Association authorising execution of documents by way of facsimile signature

 - b. Furnish to the ADA an original certified true copy of the Board Resolution containing:-
 - i. Authorisation to use the facsimile signature(s)

 - ii. A clause stating that the Letter Of Indemnity will be furnished to Bursa Depository

 - iii. The names of the authorised signatories who will be signing the Letter Of Indemnity.

 - c. Furnish the ADA the specimen facsimile signatures of the Authorised Signatories

 - d. Furnish the ADA the original stamped copy of the **Letter Of Indemnity For Facsimile Signatures** (Appendix 5) addressed to Bursa Depository.

2.1.3.6 Once the CDS account has been opened, applicant to receive the Applicant copy of the FMN070 from the ADA. The FMN070 must contain the CDS account number that has been generated from the CDS system.

2.2 Formalisation Of Centrally Opened Accounts

Centrally Opened Account is a CDS account opened arising from Initial Public Offering (IPO). Once a centrally opened account was opened for the successful applicant for an IPO, Bursa Depository will issue a Centrally Account Opening Notice to notify the successful applicant. However, central opened account has been terminated on 1 December 2003.

2.2.1 Procedures To Formalise Centrally Opened Accounts

2.2.1.1 The procedures for formalisation of centrally opened accounts are the same as item 2.1.

2.3 Reactivation Of Dormant / Inactive CDS Account

CDS account will be designated as inactive or dormant account when there have not been any debit or credit entries in the depositor's securities account for thirty-six (36) months from the date of last entry made in the securities account.

CDS depositors may reactivate the dormant or inactive account through their ADA or CDS eServices electronic platform.

2.3.1 Procedures To Reactivate Dormant / Inactive CDS Accounts Through ADA

2.3.1.1 Depositor to complete and sign the **Application For Reactivation Of CDS Account Form (Reactivation Form)** (Appendix 6) or write to the ADA for each request.

2.3.1.2 Depositor to pay Reactivation fee of RM5 for reactivation of dormant account.

2.3.1.3 Depositor will receive a copy of the Reactivation Form from the ADA upon completion of the reactivation process.

Note:

- i. *A depositor needs to provide bank account information, email address, and handphone number in CDS in order to reactivate his/her CDS account.*
- ii. *For Malaysian incorporated entities, only bank account details and email address need to be provided.*
- iii. *For Non-Malaysian individual or foreign incorporated entity, only email address needs to be provided.*

2.3.2 Inter Branch Transactions

Depositor is allowed to request for reactivation of dormant/inactive CDS account via Inter-Branch Transaction.

2.3.3 Through CDS eServices

- 2.3.3.1. Depositors registered for CDS eServices may reactivate his/her Dormant or Inactive CDS accounts through the Bursa Anywhere Mobile Application.
- 2.3.3.2. Depositor is required to pay a fee of RM5 for reactivation of dormant CDS accounts through PayNet's FPX system.
- 2.3.3.3. Depositor will receive email and inbox notifications in Bursa Anywhere Mobile Application upon successful reactivation.

Note:

- i. A depositor must maintain registered bank account information in CDS in order to facilitate any reactivation of CDS accounts via CDS eServices.
- ii. For Non-Malaysian depositors, registration of a Malaysian bank account that offers GIRO services information is optional. Bursa Depository does not allow registration of foreign countries' bank account.

2.4 Closing Of CDS Accounts

Depositor may close his/her CDS account provided that there is no balance, outstanding trade transaction and corporate action in the said CDS account.

Closure of CDS account can be authorised by:-

- a. The depositor
- b. Bursa Depository.

2.4.1 Procedures To Close CDS Account By Depositor

- 2.4.1.1 A depositor may request to close his CDS account by way of:-
- a. Completing the **CDS Account Form (FMN070)** in person before the ADA or
 - b. Sending the completed FMN070 to the ADA, or
 - c. Writing a letter to the ADA stating his/her request to close the CDS account.
- 2.4.1.2 Depositor to ensure that the date on FMN070 is not post dated. However, the effective date to close the account may be post dated.
- 2.4.1.3 Applicant may receive the Applicant copy of the FMN070 from the ADA once the account has been confirmed closed.
- 2.4.1.4 Bursa Depository will only send a notice to the depositor whose application has been rejected.

2.4.2 Inter Branch Transaction

Depositor is allowed to request for closing of CDS account via Inter Branch Transaction.

2.4.3 Procedures To Close CDS Account For Deceased Depositor (With Nil Balance)

- 2.4.3.1 In the event of the death of a CDS depositor, the following person (hereinafter known as “the applicant”) can apply for the closure of the deceased depositor’s CDS account.
- a. Next-of-kin of the deceased (please note that the request may be made according to the next-of-kin hierarchy laid down in **Appendix 7, Checklist For Request For Suspension Of Deposited Securities In A Deceased Depositor’s CDS Account**, Items 1(a) and (b)
 - b. Personal Representative of the Estate of the Deceased pursuant to a Grant Of Representation
 - c. Official Administrator appointed by the Court.

2.4.3.2 The applicant is to notify Bursa Depository in writing of the death of the depositor and request for the CDS account of the deceased to be closed.

2.4.3.3 The request should be accompanied by a set of the following documents, duly certified by a person stated in the List Of Acceptable Witnesses in Chapter 10:-

- a. Grant of Probate or Letter of Administration or Distribution Order, where applicable, or
- b. Court Order, and
- c. Death Certificate, and
- d. Applicant's NRIC.

2.4.3.4 Bursa Depository will authorise the closure of the deceased depositor's account after due verification that the written notice and the supporting documents are in order and provided that there are no shares standing to the credit in the deceased person's CDS account.

2.4.4 Procedures To Close CDS Account For Deceased Depositor (With Balance)

2.4.4.1 The relevant procedures can be found in Chapter 9 – Transmission Of Title On Death, Bankruptcy, Winding-Up And Receivership Of A Company.

2.4.5 Automatic Closure Of Dormant Account

Pursuant to Rule 26.06A(1), Bursa Depository may proceed to close a dormant account with Nil balance as defined in Rule 26.10(1)(a) upon expiry of the 4th year of such account being designated as dormant.

Automatic Closure of Dormant Account is a yearly undertaken by Bursa Depository to automatically close dormant accounts maintained in the Central Depository System which fulfil the following criteria:

- a. There are no securities in such account; and
- b. There have not been any debit or credit entries in such accounts for at least seven (7) consecutive years prior to the date of the closure.

Depositor will have an option to enquire on whether they have any dormant CDS account that is affected by the closure exercise by enquiring via Bursa Malaysia Berhad's website at www.bursamalaysia.com. This information will be available in the website **three (3) months** before the closure. Alternatively, depositor can also make enquiry with the respective stock broker where his affected dormant CDS account is maintained.

If the depositor wishes to maintain the affected dormant account to deal in securities listed on Bursa Malaysia Securities Berhad, including subscribing for an initial Public Offering (IPO), depositor can re-activate the affected dormant account before the closure to avoid any rejection. Kindly, refer to item 2.3 for the procedures of re-activation of dormant account.

However, if depositor does not re-activate his CDS account prior to the closure, the affected dormant account will be automatically closed by Bursa Depository without any further notification being sent to the depositor in respect of such closure.

Once the affected dormant account has been closed, depositor can make enquiry on the closed affected dormant account via Bursa Malaysia Berhad's website at www.bursamalaysia.com. Alternatively, depositor can also make enquiry on the closed affected dormant account from the respective stock broker where he maintains his closed affected dormant account.

